

## DEFERRED COMPENSATION PLAN

Supplemental Benefit

SUMMER 2020

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## DEFERRED COMPENSATION PLAN - SUPPLEMENTAL BENEFIT

# DEFERRED COMPENSATION PLAN NEWS

## Start Stretching! It's Time to Get Financially Fit

Even if you're behind on your goals for reaching physical fitness, you can take immediate steps to improve your financial fitness — including your retirement readiness. And best of all, it doesn't require any trips to the gym or protein shakes.

Just log on to your deferred comp plan account, and you'll find a host of resources designed to help you create a personalized action plan for improving your financial fitness. You can see a forecast of your future retirement income with the Lifetime Income Score<sup>SM</sup>.

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## Borrowing From Your Future Self

### **COVID-19 Emergency Distributions and Contribution Changes**

When mitigation efforts to slow the spread of COVID-19 impacted paydays as well as grocery bills and other expenses, many found it more difficult to think about saving for retirement.

While it may not be avoidable during these unusual times, before you reduce your deferred comp contributions or request a COVID-19 emergency distribution from your account, remember that such actions equate to borrowing from your future self.

Here are some tips to consider:

- Take such an action **only** as a last resort.
- While COVID-19 emergency distributions are free of tax penalties (for early withdrawals), keep in mind that you would still owe federal income tax on such a distribution. If you don't have taxes withheld from the distribution when you take it, you will owe taxes on it when you file your federal income taxes the following year.
- Talk with a deferred comp specialist about your situation and how to make the most of your retirement assets by calling **1.800.633.5461, option 1**, or by e-mailing **SERSDeferredComp@pa.gov**.

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**1.800.633.5461, option 1 | [www.SERS.pa.gov](http://www.SERS.pa.gov)**

Pennsylvania State Employees' Retirement System | 30 North 3rd Street, Suite 150 | Harrisburg PA 17101



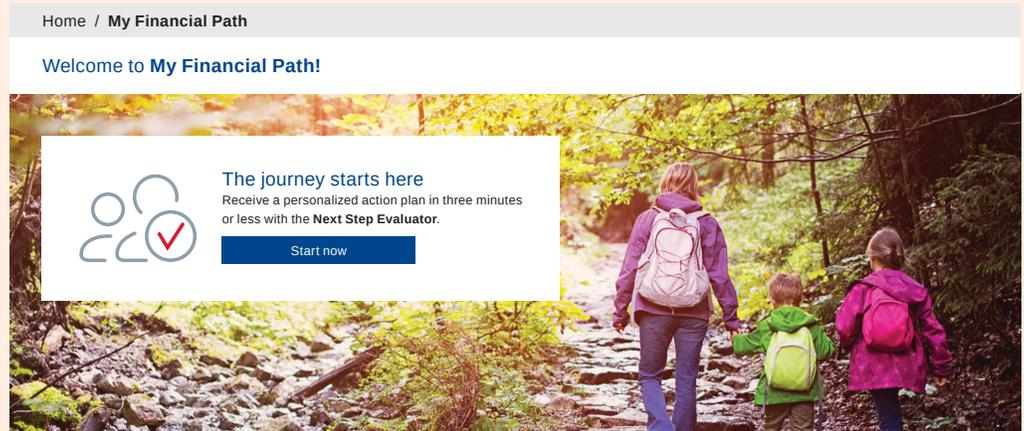
## Start Stretching! It's Time to Get Financially Fit (Continued)

You can get suggestions on next steps in three minutes or less that can put you on track toward your goals. And you can check out the content in the **Learning Center** under the *My Financial Path* tab on the website to learn how to improve your overall financial fitness. Topics include:

- emergency savings
- debt management
- paying for college
- buying a home
- planning for retirement
- and more

You can also review the planning and life event checklists designed to help you develop a financial action plan for specific personal milestones, such as having a baby or getting married.

Remember, knowledge is power. The content available on the Learning Center can empower you to take charge of your finances and your retirement readiness. And it's never too late to start. Log in to your deferred comp plan account today and explore all the tools and content available to help you tone up your financial planning muscles.



## Borrowing From Your Future Self (Continued)

- Before making decisions about taking money out of your retirement savings, please discuss your options with a tax professional.
- Visit the Learning Center at [www.learningfromempower.com](http://www.learningfromempower.com). Click *Calculators* in the top right corner. Select *Withdrawals before retirement* below *Spending calculators*. This tool will help you see the impact of taking a distribution now.
- Take only what you absolutely need. Remember *you are borrowing from your future self!*

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